



**DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING
WEDNESDAY, JULY 10, 2019
4:00 PM**

BOARD MEMBERS PRESENT:

Donele Wilkins
John George
Maggie DeSantis
Matthew Walters
Juan Gonzalez

BOARD MEMBERS ABSENT:

Pamela McClain
Ray Scott
Stephanie Washington
Sonya Mays

OTHERS PRESENT:

Jennifer Kanalos (DEGC/DBRA)
Brian Vosburg (DEGC/DBRA)
Cora Capler (DEGC/DBRA)
Rebecca Navin (DEGC)
Jean Belanger (DEGC)
Kenyetta Bridges (DEGC)
Ngozi Nwaesei (Lewis and Munday)
Paul Kako (DEGC)
Mark Dolittle (Lincoln Realty Advisors)
Jessica DeBone (PM Environmental)
Neal Check (RainCheck Development LLC)
Evan Cunningham (City of Detroit)



**MINUTES OF THE DETROIT BROWNFIELD
REDEVELOPMENT AUTHORITY REGULAR MEETING
WEDNESDAY, JULY 10, 2019
DETROIT ECONOMIC GROWTH CORPORATION
500 GRISWOLD SUITE 2200 DETROIT, MI – 4:00 PM**

CALL TO ORDER

Chair Matthew Walters called the meeting to order at 4:06 PM.

GENERAL

Approval of Minutes:

Mr. Walters called for a motion approving the minutes of June 26, 2019 as presented. The Board took the following action:

On a motion by Ms. Wilkins, seconded by Ms. DeSantis, DBRA Resolution Code 19-07-02-258 was unanimously approved.

PROJECTS

Land Assembly Project: Authorization to Enter into Letter of Intent & Development Agreement with Dakkota Integrated Services for Former Kettering High School & Rose School Sites

Ms. Belanger presented the Land Assembly Project: Authorization to Enter into Letter of Intent & Development Agreement with Dakkota Integrated Services for Former Kettering High School & Rose School Sites to the DBRA Board.

As the Board is aware, the City of Detroit (the “City”) administration has requested the assistance of the City of Detroit Brownfield Redevelopment Authority (“DBRA”) in industrial land assembly activities aimed at establishing market-ready industrial sites within City limits in order to attract manufacturing and logistics companies (the “Land Assembly Project”).

In connection with the project recently approved relating to Fiat Chrysler’s (“FCA”) new and expanded facilities in the area of Mack and Conner and Jefferson and Conner (the “FCA Project”), staff has identified the properties located at 6101 Van Dyke and 5830 Field St., Detroit MI, which properties comprise the sites of the former Kettering and Rose Schools (collectively the “Property”), as a location that is ideal to support the ancillary growth of additional suppliers that will service the FCA Project through supplier contracts. The Board has approved a letter of intent and purchase agreement for DBRA’s purchase of the Property from Detroit Public Schools.

DBRA staff has identified Dakkota Integrated Services (“Developer”) as a potential end-user of the Property to provide supplier services to the FCA Project. Dakkota proposes to construct an approximately 600,000 sf light industrial manufacturing facility at the Property, with an estimated \$50 Million investment (the “Project”). Developer anticipates hiring up to 600 full time employees for the Project and has agreed to prioritizing consideration of Detroit resident employment candidates.

DBRA staff seeks the Board’s approval to enter into Letter of Intent for the sale of the Property, in the substantial form provided in **Exhibit A** (the “LOI”), and a Development Agreement consistent with the terms

set forth the LOI (the “Development Agreement”), for a purchase price of \$2,600,000 with an earnest money deposit of \$130,000.

A resolution approving the execution of the LOI and the negotiation and execution of the Development Agreement was attached for the Board’s consideration.

Mr. George stated that he thinks this is a great adaptive reuse of the Property and that there should be more education for the public around the reuse of buildings. Ms. Belanger stated that a community meeting was held for the project and there were positive comments received regarding the creation of jobs through the project.

Ms. DeSantis stated that there have been other projects involving former school buildings that have had negative responses from the community due to lack of information or misinformation. Ms. DeSantis asked what the responses were from the community at the community meeting for this project. Ms. Belanger stated that the Developer is working with the Kettering Alumni Association to host an alumni event at the Property and working with the Detroit Parks and Recreation to find a location to move the existing playground equipment. Ms. Belanger stated that there were only a few community members at the community meeting that expressed negative sentiments about the new development and the Developer listened to the concerns of the citizens.

Ms. Wilkins stated that she wanted to acknowledge that there will be a difference between having a school and having an assembly plant in a neighborhood and that not every citizen has the option to change their place of residence as a reaction to certain developments.

Ms. Belanger stated that there should not be any truck traffic in the neighborhood as a result of the project and that trucks will be routed out of the Property onto the service drive for I-94 and will be entering the Property off of Van Dyke and that the traffic issue was addressed at the community meeting.

Ms. DeSantis asked what kind of buffer will be installed between the assembly plant and the surrounding residential properties. Ms. Belanger stated that there will be a buffer wall built between the Property and the residential properties that will include murals and artwork developed in conjunction with the neighborhood.

Ms. DeSantis asked if there will be any green infrastructure as part of the project. Ms. Belanger stated that there will be a dry basin on the Property to mitigate storm water.

Ms. DeSantis stated that residents on the east side of Detroit have had a history of being misinformed and misled about past development projects.

Mr. Walters called for a motion approving the Land Assembly Project: Authorization to Enter into Letter of Intent & Development Agreement with Dakkota Integrated Services for Former Kettering High School & Rose School Sites, as presented. The Board took the following action:

On a motion by Mr. George, seconded by Ms. DeSantis, DBRA Resolution Code 19-07-262-25 was unanimously approved.

Second Amended and Restated 3800 Woodward Brownfield Redevelopment Plan: Assignment and Assumption Agreement

Ms. Kanalos presented the Second Amended and Restated 3800 Woodward Brownfield Redevelopment Plan: Assignment and Assumption Agreement to the DBRA Board.

The Second Amended and Restated Brownfield Plan for the 3750 and 3800 Woodward Avenue Redevelopment Project (the “Second Amended Plan”) was approved by the City of Detroit Brownfield Redevelopment Authority (“DBRA”) Board of Directors on May 22, 2019 and by Detroit City Council (the “Council”) on July 2, 2019.

The Second Amended Plan amends and restates that certain Amended and Restated Brownfield Plan for 3800 Woodward Avenue Redevelopment Project approved by City Council on May 27, 2014 (the "Previous Plan").

In connection with the Previous Plan, the DBRA and Midtown Project, LLC executed that certain Reimbursement Agreement dated June 11, 2014 (the "Reimbursement Agreement").

The project described in the Previous Plan failed to commence and the 3800 Woodward Avenue parcel was split into two separate parcels (i.e. "3800 Woodward Avenue" and "3750 Woodward Avenue") and subsequently acquired by two different developers.

3750 Woodward Avenue, LLC is the project developer under the Second Amended Plan and as such, wishes to acquire any and all rights of Midtown Project, LLC under the Reimbursement Agreement and other underlying brownfield plan related documents.

Attached for the Board's review and approval as Exhibit A was an Assignment and Assumption Agreement between Midtown Project, LLC and 3750 Woodward, LLC and a resolution authorizing its execution.

Mr. Walters called for a motion approving the Second Amended and Restated 3800 Woodward Brownfield Redevelopment Plan: Assignment and Assumption Agreement, as presented. The Board took the following action:

On a motion by Ms. Wilkins, seconded by Mr. George, DBRA Resolution Code 19-07-197-10 was unanimously approved.

Second Amended and Restated 3800 Woodward Brownfield Redevelopment Plan: Reimbursement Agreement

Ms. Kanalos presented the Second Amended and Restated 3800 Woodward Brownfield Redevelopment Plan: Reimbursement Agreement to the DBRA Board.

On May 22, 2019, the Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors recommended approval to City Council of the Second Amended and Restated Brownfield Plan for the 3800 Woodward Redevelopment Project (the "Plan"). The City Council public hearing for the Plan was held June 27, 2019 and City Council approved the Plan on July 2, 2019. A requirement for Tax Increment Financing reimbursement pursuant to the Plan is that a Reimbursement Agreement (the "Agreement") be entered into between the DBRA and 3750 Woodward Avenue, LLC. The Agreement has been prepared between the DBRA and 3750 Woodward Avenue, LLC and is presented to the DBRA for review and approval.

Project Introduction

3750 Woodward Avenue, LLC, is the project developer (the "Developer") for the Plan Amendment which includes two parcels located at 3750 and 3800 Woodward Avenue. The Plan Amendment includes the completed rehabilitation of a 12-story structure for residential and commercial use (The Plaza), located on the parcel with the address 3800 Woodward Avenue. No additional redevelopment is anticipated for this parcel.

The project to be completed at 3750 Woodward Avenue will include the construction of a hotel, housing units targeted toward students, multi-family housing, 100,000 square feet of commercial space, public space and a 700-space parking structure. The hotel will include approximately 225 rooms. The residential component will include 180 multi-family units of which 36 will be affordable, 198 housing units targeted toward students, and 60 condominiums. It is anticipated that 1,300 temporary construction jobs and 400 permanent FTE jobs will be created as a result of this project.

Total investment is estimated to exceed \$330M. The developer is seeking \$58M in tax increment financing (TIF) reimbursement for eligible activities under the Plan Amendment.

Property Subject to the Plan

The eligible property (the "Property") consists of two (2) parcels located at 3750 and 3800 Woodward Avenue generally East Alexandrine Street to the north, John R Road to the east, Mack Avenue to the south and Woodward Avenue to west in Detroit's Midtown district.

Basis of Eligibility

The Property subject to the amendment is considered "eligible property" as defined by Act 381, Section 2 because (a) the Property was is currently utilized for a commercial purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the Property subject to the Plan Amendment is determined to be a facility in accordance to Part 201 of Act 451.

Eligible Activities and Projected Costs

The "eligible activities" that are intended to be carried out at the Property are considered "eligible activities" as defined by Sec 2 of Act 381, because they include demolition, lead and asbestos abatement, infrastructure improvements, site preparation, baseline environmental assessment, due care activities, additional response activities and brownfield plan and work plan preparation and implementation. The eligible activities and budgeted costs are intended as part of the development of the Property and will be financed solely by the Developer. The Authority is not responsible for any costs of eligible activities and will incur no debt. The eligible activities are estimated to commence within 18 months of approval of the Plan and be completed within 3 years.

Tax Increment Financing (TIF) Capture

The Developer desires to be reimbursed for the costs of eligible activities. Tax increment revenue generated by the Property will be captured by the DBRA and used to reimburse the cost of the eligible activities completed on the Property after approval of this Plan pursuant to the terms of a Reimbursement Agreement with the DBRA.

COSTS TO BE REIMBURSED WITH TIF

Description of Eligible Activities	Eligible Expenses	Estimated Capture
1. Demolition	\$ 416,220	\$ 416,218
2. Lead and/or Asbestos Abatement	\$ 250,000	\$ 249,999
3. Infrastructure Improvements	\$ 32,784,738	\$ 32,784,576
4. Site Preparation	\$ 17,391,718	\$ 17,391,632
5. Baseline Environmental Assessment	\$ 112,350	\$ 112,349
6. Due Care Activities	\$ 2,000	\$ 2,000
7. Additional Response Activities	\$ -	\$ -
8. Contingency (15%)	\$ 7,468,028	\$ 7,467,991
<i>Subtotal Site Eligible Activities</i>	<i>\$ 58,425,054</i>	<i>\$ 58,424,765</i>
9. Brownfield/Work Plan Preparation	\$ 60,000	\$ 60,000
Total Eligible Activities	\$ 58,485,054	\$ 58,484,765
10. Interest to Developer		\$ -
11. DBRA Administrative Costs		\$ 2,471,769
12. Local Brownfield Revolving Fund		\$ 2,205,114
13. State Brownfield Fund		\$ -
Total Estimated Cost to be Funded Through TIF		\$ 63,161,648

The actual cost of those eligible activities encompassed by this Plan that will qualify for reimbursement from tax increment revenues of the DBRA from the Property shall be governed by the terms of the Reimbursement Agreement.

Other Incentives

The Developer is seeking additional incentives including a Brownfield Michigan Business Tax Credit in the amount of \$8.1M, a Commercial Rehabilitation Act abatement (PA 210) and a Neighborhood Enterprise Zone (NEZ).

The Agreement and a resolution approving the Agreement and its subsequent execution are attached for your review and approval.

Mr. Walters called for a motion approving the Second Amended and Restated 3800 Woodward Brownfield Redevelopment Plan: Reimbursement Agreement, as presented. The Board took the following action:

On a motion by Mr. George, seconded by Ms. DeSantis, DBRA Resolution Code 19-07-197-11 was unanimously approved.

Mack and Conner Brownfield Redevelopment Plan: Reimbursement Agreement

Mr. Vosburg presented the Mack and Conner Brownfield Redevelopment Plan: Reimbursement Agreement to the DBRA Board.

On June 26, 2019, the Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors recommended approval to City Council of the Mack & Conner Brownfield Plan for the Mack & Conner Redevelopment Project (the "Plan"). The City Council is tentatively scheduled to hold a public hearing for the Plan on July 11, 2019 and City Council is tentatively scheduled to approve the Plan on July 16, 2019. A requirement for Tax Increment Financing reimbursement pursuant to the Plan is that a Reimbursement Agreement (the "Agreement") be entered into by the DBRA. The Agreement has been prepared by DBRA Counsel and staff and is presented to the DBRA Board for review and approval.

Project Introduction

FCA is the project developer (the "Developer") for the Plan. The DBRA (the "Authority") will conduct eligible activities to prepare the Property (defined below) for redevelopment and then transfer the Property to Fiat Chrysler Automobiles (FCA) or a related entity. Investigation and remediation activities will be conducted to prepare the Property for a \$1.6 billion investment that will revive and expand FCA's existing Mack Engine II Plant which will produce a new generation of Jeep cars and SUVs to keep the company competitive in the evolving international market. FCA hopes to reopen the plant by late 2020.

The Targeted Redevelopment Area (TRA) includes 276 adjacent parcels, including the Mack Engine Plant, which will undergo significant redevelopment activities to prepare for and support the Mack Engine Plant expansion. The redevelopment will have enormous economic impacts and remove blight conditions persistent throughout the area. In order for the 276 adjacent parcels to qualify as "eligible property" under Act 381, the City of Detroit City Council ("City Council") and the Michigan Strategic Fund ("MSF") must designate the TRA.

The total investment is estimated to be \$1.6 billion. The Authority is requesting \$130,686,942.00 in TIF reimbursement, however only \$33,526,056.00 in TIF Reimbursement is projected to be captured for the life of the Plan.

It is estimated that approximately 2,300 temporary construction jobs and new 3,850 FTE jobs will be created as a result of the FCA expansions at the Mack Engine II Plant.

Property Subject to the Plan

The eligible property (the "Property") includes a 276-parcel TRA, 8 parcels to the south along the Detroit River and two parcels to the north of the TRA. The Property is located on the east side of Detroit, south of I-94 and west of Conner Street.

Basis of Eligibility

The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) the Property was previously utilized or is currently utilized for commercial, residential and/or industrial purposes; (b) it is

located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the parcels which comprise the Property are included within the TRA; or (d) if the parcel is not within the TRA, the parcel has been determined to be a “facility,” functionally obsolete, blighted as defined by Act 381, or is adjacent and contiguous to one of the “facilities,” functionally obsolete, or blighted parcels. It is anticipated that the designation of the TRA by the City Council will occur simultaneously with City Council’s approval of this Plan. The designation and approval of the TRA by MSF is expected to occur in July 2019.

Eligible Activities and Projected Costs

The “eligible activities” that are intended to be carried out at the Property are considered “eligible activities” as defined by Sec 2 of Act 381, because they include Department Specific Activities (i.e. due care investigations, due care planning, soil remediation, dewatering and underground storage tank removal), property acquisition for economic development purposes, demolition, site preparation activities and public infrastructure improvements as well as the preparation and implementation of a brownfield plan and Act 381 work plan. The eligible activities and budgeted costs are intended as part of the development of the Property and will be financed solely by the Authority. The eligible activities are estimated to commence within 18 months of approval of the Plan and be completed within 3 years after approval of the MSF work plan, if applicable, or 3 years after execution of the Reimbursement Agreement.

Tax Increment Financing (TIF) Capture

The Authority desires to be reimbursed for the costs of eligible activities. Tax increment revenue generated by the Property will be captured by the DBRA and used to reimburse the cost of the eligible activities completed on the Property after approval of this Plan pursuant to the terms of a Reimbursement Agreement executed by the DBRA.

COSTS TO BE REIMBURSED WITH TIF

1. Predevelopment Activities (enviro investigation & planning)	\$1,225,272.00
2. Due Care Compliance & Response Activities	\$19,405,826.00
3. Property Acquisition for Economic Development	\$52,590,000.00
4. Demolition	\$1,384,480.00
5. Lead and Asbestos Activities	\$197,500.00
6. Site Preparation	\$26,007,350.00
7. 15% Contingency	\$6,719,572.00
8. Brownfield Plan & Act 381 Work Plan Prep	\$30,000.00
9. Brownfield Plan & Act 381 Work Plan Implementation	\$30,000.00
10. Interest (5% Simple)	\$23,096,942.00
*Total Reimbursement to Authority	\$130,686,942.00
11. Authority Administrative Costs	\$2,983,222.00
12. State Brownfield Redevelopment Fund	\$1,369,350.00
13. Local Brownfield Revolving Fund	\$0.00
TOTAL Estimated Costs	\$135,039,513.00

*Authority is only projecting to receive \$33,526,056 in TIF Reimbursement

The actual cost of those eligible activities encompassed by this Plan that will qualify for reimbursement from tax increment revenues of the DBRA from the Property shall be governed by the terms of the Reimbursement Agreement.

Other Incentives

FCA will be seeking additional incentives, which will include local and/or state approval of Industrial Facilities Exemption PA 198 Tax Abatement.

The Agreement and a resolution approving the Agreement and its subsequent execution are attached for your review and approval.

Mr. Walters called for a motion approving the Mack and Conner Brownfield Redevelopment Plan Reimbursement Agreement, as presented. The Board took the following action:

On a motion by Mr. George, seconded by Ms. DeSantis, DBRA Resolution Code 19-07-269-03 was unanimously approved.

40 Hague Brownfield Redevelopment Plan

Ms. Capler presented the 40 Hague Brownfield Redevelopment Plan to the DBRA Board.

Project Introduction

RainCheck Development, LLC is the project developer (the “Developer”) for the Plan which entails the renovation of a two-story, 37,000 square-foot building into 38 residential apartments. Two studios, 32 one-bedroom units, and four two-bedroom units will be offered. Building amenities will include an interior courtyard and rooftop garden space. In addition, the parcel located to the west of the building will be curated into a private park for residents and a dog park. As for parking, the 40 Hague Development will provide on-site parking south of the building, at 59 East Philadelphia Street, at an already established lot, reconfigured to include a more efficient parking layout.

The total investment is estimated to be \$8.05 million. The Developer is requesting \$731,906.00 in TIF reimbursement.

There will be 18 temporary construction jobs and 1 FTE job. The 18 temporary construction jobs are expected to be created over an eighteen-month period once construction begins. The 1 FTE job will be related to property management.

Property Subject to the Plan

The eligible property (the “Property”) will consist of three (3) parcels roughly bounded by Hague Street to the north, residential properties to the east, Philadelphia Street to the south, and Woodward Avenue to the west, in Detroit’s North End neighborhood.

Basis of Eligibility

The Property is considered “eligible property” as defined by Act 381, Section 2 because (a) the Property was previously utilized for industrial and commercial purposes; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the Property is determined to be a “facility” as defined by Act 381 and/or adjacent and contiguous to a “facility.”

Eligible Activities and Projected Costs

The “eligible activities” that are intended to be carried out at the Property are considered “eligible activities” as defined by Sec 2 of Act 381, because they include Pre-Approved Activities (Environmental Assessments), Department Specific Activities, Demolition, Asbestos Activities, Infrastructure Improvements, Site Preparation and preparation and implementation of Brownfield Plan and/or 381 Work Plan. The eligible activities and budgeted costs are intended as part of the development of the Property and will be financed solely by the Developer. The Authority is not responsible for any costs of eligible activities and will incur no debt. The eligible activities are estimated to commence in fall 2019 and be completed within 18 months.

Tax Increment Financing (TIF) Capture

The Developer desires to be reimbursed for the costs of eligible activities. Tax increment revenue generated by the Property will be captured by the DBRA and used to reimburse the cost of the eligible activities completed on the Property after approval of this Plan pursuant to the terms of a Reimbursement Agreement with the DBRA.

COSTS TO BE REIMBURSED WITH TIF

1. Environmental Assessments	\$23,693.00
2. Department Specific Activities (EGLE)	\$114,500.00

3. Demolition	\$298,900.00
4. Asbestos Abatement	\$22,000.00
5. Infrastructure Improvements	\$68,000.00
6. Site Preparation	\$86,350.00
7. Brownfield Plan & Work Plan Preparation	\$20,000.00
8. Brownfield Plan & Work Plan Implementation	\$10,000.00
9. Contingency (15%)	\$88,463.00
Total Reimbursement to Developer	\$731,906.00
10. Authority Administrative Costs	\$189,903.00
11. State Brownfield Redevelopment Fund	\$41,917.00
12. Local Brownfield Revolving Fund	\$294,549.00
TOTAL Estimated Costs	\$1,258,275.00

The actual cost of those eligible activities encompassed by this Plan that will qualify for reimbursement from tax increment revenues of the DBRA from the Property shall be governed by the terms of the Reimbursement Agreement.

Other Incentives

The Developer is seeking additional incentives, which will include local and/or state approval of an Obsolete Property Rehabilitation PA 146 Tax Abatement.

Attached for the Board's review and approval was a resolution authorizing the 40 Hague Brownfield Plan for submittal to the Community Advisory Committee for consideration and comment within 30 days of their receipt of the proposed Plan. In addition, it authorizes the President of the Detroit Economic Growth Corporation or any person designated by him, as a representative of the DBRA, to conduct a public hearing in the area to which the Proposed Plan applies within the next 30 days. This public hearing may be held jointly with any public hearing conducted by the Community Advisory Committee.

Ms. Wilkins asked if the Property is currently or formally a community center and if so, how the center was able to operate in a building that has contamination. Ms. DeBone stated that the contamination on the Property is in soils and only an issue if there is direct contact with skin. That soil will need to be removed as part of construction. The vapor intrusion system may not be necessary, and the Developer is working with EGLE to perform additional sampling to determine if the vapor mitigation system will be needed.

Ms. DeSantis asked how the Developer is able to go beyond the standard 80% Area Median Income (AMI) for the affordable units and to describe the financing for the project. Mr. DooLittle stated that the total budget for the project is approximately \$8 million, the Developer has a commitment letter from Capital Impact Partners for a \$5.25 million loan, some of which is from the Designated Neighborhood Fund (\$1.75 million), a Community Revitalization Program loan from the MEDC for approximately \$1.5 million, and the remainder of the construction budget will be equity from the Developer. Mr. Check stated that when he approached Capital Impact Partners about the project, Capital Impact Partners requested a deeper affordable rate for the affordable units to be included in the project and that there will be 8 units provided at 60% AMI.

Mr. George asked how many parcels are included in the Property and if they are currently vacant. Mr. Check stated that all of the properties are vacant with two of the parcels currently parking lots and the third parcel is an existing structure that was designed by Albert Kahn.

Mr. George asked how many stories the existing building is and if the Developer plans on adding additional stories to the building. Mr. Check stated that the existing building is two stories and while it can structurally support more floors, there are not any current plans to add additional stories.

Mr. Check stated that the existing parking lot will be reconfigured and will have lighting, cameras, and a new fence installed.

Ms. DeSantis asked who the Developer has contacted in the community regarding the project. Mr. Check stated that the Developer has reached out to the Beth El Community Center, nearby residents, and other developers with projects within the area.

Ms. DeSantis suggested the Developer get in contact with community organizations regarding the project including Central Detroit Christian CDC and the North End Woodward Community Coalition. Ms. Kanalos stated that the DBRA staff will make sure the community organizations mentioned are notified of the local public hearing for the project and share contacts for those groups with the developer.

Ms. DeSantis stated that it may be helpful to get input from members of the community on the plans for the greenspace as part of the project.

Mr. Walters called for a motion referring the 40 Hague Brownfield Redevelopment Plan to the Community Advisory Committee, as presented. The Board took the following action:

On a motion by Mr. George, seconded by Mr. Gonzalez, DBRA Resolution Code 19-07-271-01 was unanimously approved.

ADMINISTRATIVE

Ms. Kanalos stated that the National Brownfield Conference will be in December 2019. Two DBRA staff members will be attending, one with EPA Grant funds and one with DBRA funds. Two brownfield projects from Detroit were selected for panel discussions at the conference and DBRA staff will be part of those presentations. Ms. Kanalos asked Chair Mr. Walters which board member should be recommended to attend the conference to represent the DBRA board. Mr. Walters stated that since he attended the previous conference, he recommend that Vice Chair Ms. DeSantis attend as the DBRA Board member. The DBRA Board members in attendance were in agreement with Ms. DeSantis attending the conference on behalf of the Board..

OTHER

None.

PUBLIC COMMENT

Mr. Cunningham stated that he is from the City of Detroit Office of Budget and will be attending future DBRA meetings in order to gain further insight into development projects in the City of Detroit.

ADJOURNMENT

Citing no further business, Mr. Walters called for a motion to adjourn the meeting.

On a motion by Mr. George, seconded by Ms. DeSantis the meeting was unanimously adjourned at 4:47 PM.



CODE DBRA 19-07-02-258

APPROVAL OF MINUTES JUNE 26, 2019

RESOLVED, that the minutes of the regular meeting of June 26, 2019 are hereby approved and all actions taken by the Directors present at such meeting, as set forth in such minutes, are hereby in all respects ratified and approved as actions of the Detroit Brownfield Redevelopment Authority.

July 10, 2019



CODE DBRA 19-07-262-25

LAND ASSEMBLY PROJECT: AUTHORIZATION TO ENTER INTO LETTER OF INTENT & DEVELOPMENT AGREEMENT WITH DAKKOTA INTEGRATED SERVICES FOR FORMER KETTERING HIGH SCHOOL & ROSE SCHOOL SITES

WHEREAS, the City of Detroit (the “City”) administration has requested the assistance of the City of Detroit Brownfield Redevelopment Authority (“DBRA”) in industrial land assembly activities aimed at establishing market-ready industrial sites within City limits in order to attract manufacturing and logistics companies (the “Land Assembly Project”); and

WHEREAS, in connection with the project recently approved relating to Fiat Chrysler’s (“FCA”) new and expanded facilities in the area of Mack and Conner and Jefferson and Conner (the “FCA Project”), staff has identified the properties located at 6101 Van Dyke and 5830 Field St., Detroit MI, which properties comprise the sites of the former Kettering and Rose Schools (collectively the “Property”), as a location that is ideal to support the ancillary growth of additional suppliers that will service the FCA Project through supplier contracts; and

WHEREAS, Board has approved a letter of intent and purchase agreement for DBRA’s purchase of the Property from Detroit Public Schools; and

WHEREAS, Dakkota Integrated Services (“Developer”), a supplier for the FCA Project, proposes to construct an approximately 600,000 sf light industrial manufacturing facility at the Property, with an estimated \$50 Million investment (the “Project”), which Project is anticipated to result in the hiring up to 600 full time employees for the Project, for which the Developer has agreed to prioritizing consideration of Detroit resident employment candidates; and

WHEREAS, DBRA staff seeks the Board’s approval to enter into a Letter of Intent in the substantial form provided in Exhibit A (the “LOI”) and Development Agreement consistent with the terms set forth the LOI (the “Development Agreement”), for the sale and development of the Property for a purchase price of \$2,600,000 with an earnest money deposit of approximately \$130,000; and

WHEREAS, Staff is seeking the Board’s approval of the execution of the LOI and the negotiation and execution of the Development Agreement consistent with the LOI and this resolution; and

WHEREAS, the transactions contemplated herein is consistent with the DBRA’s purposes of promoting the revitalization and reuse of certain properties and is otherwise consistent with its powers and purposes.

NOW, THEREFORE, BE IT RESOLVED, that the DBRA Board of Directors hereby approves the LOI, together with such changes that are reasonably required for the Project and are approved by DBRA Authorized Agents and counsel, which changes are not inconsistent with the intent of this resolution, and the DBRA’s actions required to be undertaken thereunder.

BE IT FURTHER RESOLVED, that any one of the officers and any one of the Authorized Agents of the DBRA or any two of the Authorized Agents of the DBRA shall hereafter have the authority to execute

the LOI, together with such changes that are reasonably required for the Project and are approved by DBRA Authorized Agents and counsel, which changes are not inconsistent with the intent of this resolution, negotiate and execute the Development Agreement consistent with the LOI and this resolution, and negotiate and execute all documents, contracts, or other papers, and take such other actions, necessary or appropriate to implement the provisions and intent of this resolution on behalf of the DBRA.

BE IT FINALLY RESOLVED, that all of the acts and transactions of any officer or authorized agent of the DBRA, in the name and on behalf of the DBRA, relating to matters contemplated by the foregoing resolutions, which acts would have been approved by the foregoing resolutions except that such acts were taken prior to execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

July 10, 2019

EXHIBIT A
LETTER OF INTENT

See attached.



July 10, 2019

RE: Kettering Site
6101 Van Dyke & 5830 Field St
Detroit, Michigan 48213

Trinity Investments Limited, LLC
Attn: Ms. Andra Rush
c/o 123 Brighton Lake Road
Suite 202
Brighton, MI 48116

Dear Ms. Rush:

This letter will act as a letter of intent (“**LOI**”) regarding proposed terms and conditions to be contained in a Development Agreement between Trinity Investments Limited, LLC (“**Developer**”) and the City of Detroit Brownfield Redevelopment Authority (“**DBRA**”) for certain property currently owned by the Detroit Public Schools Community District, as successor by operation of law to Detroit Public Schools (“**DPS**”).

Developer acknowledges and agrees that the Property (as defined below) is or will be subject to a binding purchase agreement to be negotiated and executed by DPS and DBRA (the “**DPS Purchase Agreement**”). At the option of Developer, the transactions contemplated hereunder shall be consummated simultaneously with the transactions contemplated by the DPS Purchase Agreement, or DBRA will assign its interest under the DPS Purchase Agreement to Developer at Closing in consideration of the payment of One Dollar (\$1.00) plus any deposits made by the DBRA pursuant to the DPS Purchase Agreement, and title to the Property will be conveyed to Developer pursuant to the DPS Purchase Agreement.

The terms and conditions contained in this LOI are non-binding, except for the Due Diligence, Indemnification, and Exclusivity provisions (which provisions are and shall be binding immediately upon execution), unless and until Developer and DBRA execute a mutually acceptable Development Agreement (“**Agreement**”) setting forth these terms, and other terms to which Developer and DBRA may agree.

Property: approximately 32 acres (1,393,920 sf) of land located at 6101 Van Dyke Detroit, MI 48213 and 5830 Field St, Detroit MI 48213, the former Kettering and Rose schools. The actual square footage of the Property will be determined by a survey. Developer agrees to purchase the Property “AS-IS”.

Purchase Price: Two Million Six Hundred Thousand Dollars (\$2,600,000.00), One Hundred Thirty Thousand Dollars (\$130,000) of which is payable as an earnest money deposit following the execution of the Agreement.

DBRA Approval: Estimated to be on July 10, 2019. DBRA Staff would submit to Developer a draft of the Agreement within seven (7) business days following DBRA Board of Directors’ approval.

Minimum Requirements for Proposed Project: +/- \$50 Million minimum investment that will include 600,000 +/- SF light industrial manufacturing facility.

Inspection Period: Developer will have an inspection period which is coterminous with the DBRA's inspection period under the DPS Purchase Agreement to conduct its due diligence of the Property, which may include physical investigations, subject to execution of a Right of Entry agreement with DPS and/or DBRA, as applicable. The Agreement is subject to termination prior to the conclusion of the inspection period in the event that Developer is not satisfied with results of its investigations, in its sole and absolute discretion, provided that any notice of termination is given prior to the expiration of DBRA's inspection period under the DPS Purchase Agreement.

Construction Completion Date: 24 months following commencement; subject to up to 6 months of extensions exercisable upon terms and conditions to be set forth in the Agreement.

Repurchase Option: The Agreement will provide DBRA a right to purchase the Property from the Developer in the event that Developer does not commence construction within 18 months following Closing based upon terms and conditions to be set forth in the Agreement. Upon the closing of such transfer, the Agreement will terminate.

Guaranty: A corporate affiliate of Developer acceptable to DBRA, acting reasonably, will guarantee Developer's obligations to timely and fully commence and complete all development and construction of lands and buildings comprising the development contemplated herein. The Agreement will set forth terms and conditions pursuant to which the Developer may sell the Property to the DBRA in lieu of the DBRA's enforcement of the Guaranty.

Tax Abatement Incentives Package: The City of Detroit and DBRA will utilize commercially reasonable efforts to assist Developer and/or its affiliate in obtaining the incentives under the following, and approval by the appropriate governmental authorities of such incentives shall be a condition to Developer's obligation to close under the Agreement:

- Industrial Property Tax Abatement, PA – 198 of 1974, as amended, with SET waiver.
- Michigan Renaissance Zone Act.
- Brownfield TIF with school tax capture approval from EGLE and MSF.

Employment and Local Hiring Commitments: The Agreement and/or applicable tax abatement or incentive agreement will include a commitment by Developer (i) to create a specified minimum number of full-time equivalent jobs (currently estimated at 600 jobs) at the Property for the terms of any awarded tax abatements, and (ii) subject to requirements of any collective bargaining agreements, to interview Detroiters first before offering jobs to others and will take action to attempt to recruit and hire City of Detroit residents in accordance with specified targets as set forth in a City of Detroit Resident Employment Plan submitted by Developer to the City and approved by the City's Civil Rights and Inclusion Office.

Ban the Box: The Agreement will include an obligation for Developer to commit to 'Ban the Box' and use a background-friendly approach to hiring new employees, including, omitting pre-employment screening and testing related to alcohol and marijuana, a legalized substance in the State of Michigan, all to the extent permissible under applicable laws, regulations, and other legal requirements.

Closing Costs: Developer shall be responsible for any and all third party costs associated with the Closing, included but not limited to recording costs, transfer taxes, if any, title insurance premiums, and any closing fees charged by the title company and Developer shall reimburse DBRA for its actual reasonable legal fees incurred in connection with the execution and negotiation of the Agreement, the DPS Purchase Agreement and the consummation of the transactions contemplated thereunder.

Due Diligence and Indemnification

Developer agrees to abide, and cause all of its employees, agents, representatives and consultants

(collectively, the “Representatives”) to abide, by any terms imposed by DPS with respect to due diligence of the Property, including but not limited to physical inspections of the Property. Without limiting the generality of the foregoing, Developer and its Representatives shall (i) only enter the Property at such times as agreed by DPS; (ii) ensure that its access to the Property does not interfere unreasonably with DPS’s use of the Property; (iii) repair any damage to, and restore, the Property to its condition existing prior to the initiation of Developer’s due diligence activities; (iv) upon the request of DBRA or DPS, provide copies of any reports generated from its inspections; and (v) obtain and maintain such insurance coverages as required by DPS as a condition of entry on the Property, with such insurance, where obtainable, including “Detroit Public Schools Community District” and “City of Detroit Brownfield Redevelopment Authority” as additional insureds.

Developer, on its behalf and on behalf of its Representatives, hereby waives and releases, and agrees to indemnify and hold harmless, each of the DBRA and DPS, and their respective employees, agents, board members, and other representatives, from any claim for damage, injury, liabilities, costs, and/or expenses (including reasonable attorneys’ fees actually incurred), whether known or unknown, arising out of or resulting from, or incurred as result of, Developer and/or its Representatives entering onto the Property, the latent or patent physical condition (including environmental) of the Property, and the inspection of the Property by Developer and its Representatives. Developer agrees and covenants not to commence or prosecute any action or proceeding against DPS or DBRA, and their respective employees, agents, board members, and other representatives, on account of or relating to any matter released hereunder. DPS is an express third party beneficiary of the provisions hereof, which shall survive the termination of this LOI.

Conditions to Effectiveness of this LOI: Approval of terms and conditions contained herein by DBRA Board of Directors on or before July 10, 2019.

Exclusivity: Upon execution of this LOI, and unless this LOI is rejected by the DBRA Board of Directors, the DBRA shall not negotiate with any third parties regarding the Property (besides DPS and Developer) for a period of sixty (60) days, during which time the parties shall negotiate a mutually agreeable Agreement.

The transactions contemplated under this LOI are subject to Developer’s due diligence and review of the proposed transaction in its sole discretion, including, but not limited to: (a) Developer’s review and approval of the DPS Purchase Agreement; (b) Developer’s review, investigation, analysis and receipt of all incentives and related assistance for the project deemed acceptable by Developer in its sole discretion, and any requirements to be imposed on Developer in connection therewith; (c) Developer’s review of its ability to satisfy its customers’ requirements through the proposed development of the Property; and (d) the timing to obtain all necessary governmental approvals, incentives, and to complete construction of the project.

Except for the Due Diligence, Indemnification, and Exclusivity provisions (which provisions are and shall be binding immediately upon execution) this is a non-binding LOI, setting forth the understanding of the parties with respect to the purchase and sale of the Property. Should this LOI be acceptable to you, please sign in the space provided below for your signature and return a fully executed copy of this LOI to us. This LOI may be executed in one or more counterparts (via facsimile or email) each of which shall be an original and all of which shall constitute one and the same instrument. Upon receipt of a fully executed LOI, DBRA will instruct its attorneys to prepare the Agreement.

[SIGNATURE PAGE FOLLOWS]

Sincerely,

City of Detroit Brownfield Redevelopment Authority

By: _____

Its: Authorized Agent

By: _____

Its: Authorized Agent

Approved as to form only:

Rebecca Navin, Esq., Counsel to DBRA

ACCEPTED AND AGREED TO this 10th day of July, 2019:

TRINITY INVESTMENT LIMITED, LLC

By: _____

Its: _____



CODE DBRA 19-07-197-10

SECOND AMENDED AND RESTATED 3800 WOODWARD AVENUE: ASSIGNMENT AND ASSUMPTIONS AGREEMENT

WHEREAS, on May 22, 2019, the City of Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors adopted a resolution recommending approval of that certain Second Amended and Restated Brownfield Plan for the 3750 and 3800 Woodward Avenue Redevelopment Project (the "Second Amended Plan") by the Detroit City Council; and

WHEREAS, on July 2, 2019, the Detroit City Council approved the Second Amended Plan; and

WHEREAS, the Second Amended Plan amended, restated and replaced that certain Amended and Restated Brownfield Plan for 3800 Woodward Avenue Redevelopment Project approved by the Detroit City Council on May 27, 2014 (the "Previous Plan"); and

WHEREAS, in connection with the Previous Plan, the DBRA and Midtown Project, LLC entered into that certain Reimbursement Agreement dated June 11, 2014 (the "Reimbursement Agreement"); and

WHEREAS, 3750 Woodward Avenue, LLC is the project developer under the Second Amended Plan and wishes to acquire any and all rights of Midtown Project, LLC under the Reimbursement Agreement and other underlying brownfield plan related documents; and

WHEREAS, an Assignment and Assumption Agreement (the "Assignment") between Midtown Project, LLC and 3750 Woodward Avenue, LLC shall be drafted in a form and substance to the satisfaction of DBRA staff and legal counsel; and

WHEREAS, the DBRA Board of Directors desire to acknowledge and approve the actions contemplated by the Assignment and authorize its execution and delivery on behalf of the DBRA.

NOW THEREFORE BE IT RESOLVED, by the DBRA Board of Directors as follows:

1. The Assignment and Assumption Agreement (the "Assignment"), to be drafted in a form and substance to the satisfaction of DBRA staff and legal counsel, is hereby approved.
2. Any two (2) Officers or Designated Authorized Agents or any one (1) Officer and one (1) Designated Authorized Agent of the DBRA is hereby authorized and directed to execute and deliver the Assignment.
3. All resolutions or parts of resolutions or other proceedings in conflict herewith shall be repealed insofar as such conflict arises.
4. This Resolution shall take effect immediately upon its adoption.

BE IT FINALLY RESOLVED that all of the acts and transactions of any officer or authorized agent of the DBRA, in the name and on behalf of the DBRA, relating to matters contemplated by the foregoing

resolutions, which acts would have been approved by the foregoing resolutions except that such acts were taken prior to execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

July 10, 2019



CODE DBRA 19-07-197-11

SECOND AMENDED AND RESTATED 3800 WOODWARD BROWNFIELD REDEVELOPMENT PLAN: REIMBURSEMENT AGREEMENT

WHEREAS, on May 22, 2019, the Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors adopted a resolution recommending approval by the Detroit City Council of the Brownfield Plan (the "Plan") for a project captioned 3800 Woodward Redevelopment (the "Project"); and

WHEREAS, on July 2, 2019, the Detroit City Council approved the Plan; and

WHEREAS, a condition to reimbursing the developer for eligible activities under the Plan is that a Reimbursement Agreement (the "Agreement") be entered into between the DBRA and 3750 Woodward Avenue, LLC as developer of the Project; and

WHEREAS, the Agreement has been drafted, approved as to form by DBRA legal counsel; and

WHEREAS, the Board of Directors desires to approve the Agreement and authorize its execution and delivery on behalf of the DBRA; and

NOW THEREFORE, BE IT RESOLVED, by the DBRA Board of Directors as follows:

1. The Agreement, in substantially the form attached to this Resolution as Exhibit A, is hereby approved, with such necessary or desirable modifications additions, deletions or completions as are approved by DBRA legal counsel and the Officers or designated Authorized Agents of the DBRA executing the Agreement.
2. Any two Officers or designated Authorized Agents or one Officer and one designated Authorized Agent of the DBRA are authorized and directed to execute and deliver the Agreement.
3. All resolutions or parts of resolutions or other proceedings in conflict herewith shall be and the same hereby are repealed insofar as such conflict arises.
4. This Resolution shall take effect immediately upon its adoption.

BE IT FINALLY RESOLVED that all of the acts and transactions of any officer or authorized agent of the DBRA, in the name and on behalf of the DBRA, relating to matters contemplated by the foregoing resolutions, which acts would have been approved by the foregoing resolutions except that such acts were taken prior to execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

July 10, 2019



CODE DBRA 19-07-269-03

MACK & CONNER BROWNFIELD REDEVELOPMENT PLAN: REIMBURSEMENT AGREEMENT

WHEREAS, on June 26, 2019, the Detroit Brownfield Redevelopment Authority (the "DBRA") Board of Directors adopted a resolution recommending approval by the Detroit City Council of the Brownfield Plan (the "Plan") for a project captioned Mack & Conner Redevelopment (the "Project"); and

WHEREAS, on July 16, 2019, the Detroit City Council is tentatively scheduled to approve the Plan; and

WHEREAS, a condition to reimbursing the developer for eligible activities under the Plan is that a Reimbursement Agreement (the "Agreement") be entered into by the DBRA; and

WHEREAS, the Agreement has been drafted, approved as to form by DBRA legal counsel; and

WHEREAS, the Board of Directors desires to approve the Agreement and authorize its execution and delivery on behalf of the DBRA; and

NOW THEREFORE, BE IT RESOLVED, by the DBRA Board of Directors as follows:

4. The Agreement, in substantially the form attached to this Resolution as Exhibit A, is hereby approved, with such necessary or desirable modifications additions, deletions or completions as are approved by DBRA legal counsel and the Officers or designated Authorized Agents of the DBRA executing the Agreement.
5. Any two Officers or designated Authorized Agents or one Officer and one designated Authorized Agent of the DBRA are authorized and directed to execute and deliver the Agreement.
6. All resolutions or parts of resolutions or other proceedings in conflict herewith shall be and the same hereby are repealed insofar as such conflict arises.
5. This Resolution shall take effect immediately upon its adoption.

BE IT FINALLY RESOLVED that all of the acts and transactions of any officer or authorized agent of the DBRA, in the name and on behalf of the DBRA, relating to matters contemplated by the foregoing resolutions, which acts would have been approved by the foregoing resolutions except that such acts were taken prior to execution of these resolutions, are hereby in all respects confirmed, approved and ratified.

July 10, 2019



CODE DBRA 19-07-271-01

40 HAGUE BROWNFIELD REDEVELOPMENT PLAN – TRANSMITTAL OF BROWNFIELD PLAN TO THE COMMUNITY ADVISORY COMMITTEE

WHEREAS, pursuant to 381 PA 1996 (“Act 381”), the City of Detroit Brownfield Redevelopment Authority (the “DBRA”) has been established by resolution of the City Council of the City of Detroit (the “City”) for the purpose of promoting the revitalization of environmentally distressed areas in the City; and

WHEREAS, under Act 381 the DBRA is authorized to develop and propose for adoption by City Council a brownfield plan for one or more parcels of eligible property; and

WHEREAS, under the resolution establishing the DBRA and the bylaws of the DBRA requires the DBRA, prior to the approval of a brownfield plan, submit the proposed brownfield plan to the Community Advisory Committee for consideration and comment and solicit comments by publication of notice that the proposed brownfield plan has been submitted to the Community Advisory Committee and by conducting a public hearing in the area to which the proposed Plan applies.

NOW, THEREFORE, BE IT RESOLVED:

1. The City of Detroit Brownfield Redevelopment Authority acknowledges receipt of the proposed Brownfield Plan for the **40 Hague Brownfield Redevelopment Plan** (the “Proposed Plan”) and authorizes and directs the Chairperson to cause the Proposed Plan to be transmitted to the Community Advisory Committee for consideration and comment within 30 days of their receipt of the Proposed Plan.

2. The President of the Detroit Economic Growth Corporation or any person designated by him, as a representative of the DBRA, shall conduct a public hearing in the area to which the Proposed Plan applies within the next 30 days. This public hearing may be held jointly with any public hearing conducted by the Community Advisory Committee.

3. The Chairperson is authorized and directed to cause there to be published notice that the Proposed Plan has been submitted to the Community Advisory Committee and of the public hearing to be held pursuant to this resolution.

BE IT FINALLY RESOLVED, that all of the acts and transactions of any Officer or Authorized Agent of the DBRA in the name and on behalf of the DBRA, relating to matters contemplated by the foregoing resolutions, which acts would have been approved by the foregoing resolution except that such acts were taken prior to execution of these resolution, are hereby in all respects confirmed, approved and ratified.

July 10, 2019